

game with Oklahoma. We don't take anything for granted. I am so proud of the team.

It is hard work on the football field. It is hard work in the weight room. It is hard work in the classroom. These are great guys, led by a group of very honorable young men through a solid season and an incredible string of 12 playoff games. Mike was one of five coaches to receive the American Football Coaches Association Coach of the Year award, one of five in the Nation, because he is such an inspirational, hard-working, no-nonsense, wonderful guy, representing the high caliber of the team and of Carroll College. We are extremely proud.

I might say, too, I am proud because this is my hometown. The Saints are from a college in Helena, MT. I thank the Saints, thank Coach Van Diest, thank them all for their hard work.

We may give Oklahoma a few points the next time we play them. We wish them well, too.

Mr. FRIST. I ask unanimous consent that the resolution be agreed to, the preamble be agreed to, the motion to reconsider be laid upon the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 303) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 303

Whereas the Carroll College Fighting Saints football team won the 2003 NAIA national championship game and its second straight national championship by defeating the Northwestern Oklahoma State University Rangers by a score of 41 to 28 at the Jim Carroll Stadium in Savannah, Tennessee, on December 20, 2003;

Whereas the Fighting Saints won 15 straight games, going undefeated in the 2003 regular season to win the Frontier Conference Championship and progressing through 4 rounds of playoffs;

Whereas head coach Mike Van Diest led the Fighting Saints to their second straight championship in his fifth season as head coach and was 1 of 5 coaches to receive the American Football Coaches Association Coach of the Year award;

Whereas Fighting Saints quarterback Tyler Emmert was named NAIA Player of the Year and offensive MVP for the championship game;

Whereas wide receiver Mark Gallik was named NAIA Football.net Offensive Player of the Year;

Whereas both Emmert and Gallik were named to the NAIA First Team All-American;

Whereas 2 players were named to the NAIA Second Team All-American—Spencer Schmitz and Marcus Atkinson—and 4 players received NAIA Honorable Mention All-American honors—Regan Mack, Rhett Crites, Nate Chiovaro, and Brett Birmingham;

Whereas 7 Fighting Saints were named as NAIA All-America Scholar Athletes—Kyle Baker, D.J. Dearcorn, Tyler Emmert, Kevin McCutcheon, Matt Peterson, A.J. Porrini, and Zach Zawacki; and

Whereas the Carroll College community, including the Carroll College Athletic De-

partment, students, administration, board of trustees, faculty, and alumni, the city of Helena, and the entire State of Montana, are to be congratulated for their continuous support of the Carroll College football team: Now, therefore, be it

*Resolved*, That the Senate—

(1) commends the Carroll College Fighting Saints football team for winning the 2003 NAIA national championship;

(2) recognizes the achievements of all the players, coaches, support staff, and fans who were instrumental in helping Carroll College during the 2003 season; and

(3) directs the Secretary of the Senate to transmit a copy of this resolution to the president of Carroll College.

### POVERTY REDUCTION AND PREVENTION ACT

Mr. FRIST. I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 414, S. 1786.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant journal clerk read as follows:

A bill (S. 1786) to revise and extend the Community Services Block Grant Act, the Low-Income Home Energy Assistance Act of 1981, and the Assets for Independence Act.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Health, Education, Labor, and Pensions, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

(Strike the part shown in black brackets and insert the part shown in italic.)

#### S. 1786

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

[(a) SHORT TITLE.—This Act may be cited as the “Poverty Reduction and Prevention Act”.]

[(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

[Sec. 1. Short title; table of contents.]

#### TITLE I—COMMUNITY SERVICES BLOCK GRANT ACT

[Sec. 101. Purposes.]

[Sec. 102. Definitions.]

[Sec. 103. Authorization of appropriations.]

[Sec. 104. Establishment of program.]

[Sec. 105. Use of funds.]

[Sec. 106. Application and plan.]

[Sec. 107. Designation of eligible entities in underserved areas.]

[Sec. 108. Tripartite boards.]

[Sec. 109. Training, technical assistance, and other activities.]

[Sec. 110. Monitoring.]

[Sec. 111. Corrective action; termination and reduction of funding.]

[Sec. 112. Fiscal controls, audits, and withholding.]

[Sec. 113. Accountability and reporting requirement.]

[Sec. 114. Limitations on use of funds.]

[Sec. 115. Operational rule.]

[Sec. 116. Discretionary authority of the secretary.]

[Sec. 117. Community food and nutrition programs.]

[Sec. 118. National or regional programs designed to provide instructional activities for low-income youth.]

[Sec. 119. Short title and conforming amendments.]

#### TITLE II—LOW-INCOME HOME ENERGY ASSISTANCE

[Sec. 201. Short title.]

[Sec. 202. Reauthorization.]

[Sec. 203. Natural disasters and other emergencies.]

[Sec. 204. Residential Energy Assistance Challenge option.]

[Sec. 205. Report to Congress.]

#### TITLE III—ASSETS FOR INDEPENDENCE ACT

[Sec. 301. Short title.]

[Sec. 302. Reauthorization of the Assets for Independence Act.]

#### TITLE I—COMMUNITY SERVICES BLOCK GRANT ACT

##### SEC. 101. PURPOSES.

[Section 672 of the Community Services Block Grant Act (42 U.S.C. 9901) is amended to read as follows:

##### “SEC. 672. PURPOSES.

“(1) The purpose of this subtitle is to reduce poverty—

“(1) by strengthening and coordinating local efforts to expand opportunities for individuals and families to become economically self-sufficient and to improve and revitalize the communities in which low-income Americans live, by providing resources to States for support of local eligible entities and their partners to—

“(A) plan, coordinate, and mobilize a broad range of Federal, State, local, and private assistance or investment in such a manner as to use these resources effectively to reduce poverty and in initiatives that are responsive to specific local needs and conditions;

“(B) organize multiple services that meet the needs of low-income families and individuals, especially low-wage workers and their families, and that assist them in developing the assets and skills needed to become self sustaining while ensuring that these services are provided efficiently, in appropriate combinations, and in effective sequence; and

“(C) design and implement comprehensive approaches to assist individuals transitioning from the Temporary Assistance to Needy Families Program to work;

“(2) by improving and revitalizing the communities in which low-income Americans live by providing resources to—

“(A) broaden the financial resource base of initiatives and projects directed to the elimination of poverty and the re-development of the low-income community, including partnerships with non-governmental and governmental institutions to develop the community assets and services that reduce poverty, such as—

“(i) other private, charitable, neighborhood-based, and religious organizations;

“(ii) individual citizens, and businesses, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor; and

“(iii) local government leadership; and

“(B) coordinate or create community-wide assets and services that will have a significant, measurable impact on the causes of poverty in the community and that will help families and individuals to achieve economic self-sufficiency, and test innovative, community-based approaches to attacking the causes and effects of poverty and of community breakdown, including—

“(i) innovative initiatives to prevent and reverse loss of investment, jobs, public services, and infrastructure in low- and moderate-income communities; and

“(ii) innovative partnerships to develop the assets and services that reduce poverty, as provided for in subparagraph (A); and

“(3) by ensuring maximum participation of residents of low-income communities and of members of the groups served by programs under this subtitle in guiding the eligible entities and in their programs funded under this subtitle to ameliorate the particular problems and needs of low-income residents of their communities and to develop the permanent social and economic assets of the low-income community in order to reduce the incidence of poverty.”.

#### **[SEC. 102. DEFINITIONS.]**

[Section 673 of the Community Services Block Grant Act (42 U.S.C. 9902) is amended—

[(1) in paragraph (1)(A)(ii), by striking “or other mechanism”; and

[(2) in paragraph (2)—

[(A) in the first sentence—

[(i) by striking “Office of Management and Budget” and inserting “Department of Health and Human Services”; and

[(ii) by inserting before the period the following: “and increased, as the Secretary determines appropriate, to take into account higher costs-of-living for a State”; and

[(B) by striking the last sentence and inserting the following: “Whenever a State determines that it has served the objectives of the block grant program established under this subtitle, the State may revise the poverty line, while placing a priority in serving those who are most in need, so that 125 percent of the official poverty line is the minimum level that a State shall be permitted to set as its maximum eligibility requirement and 60 percent of the State’s median income is the maximum level that a State shall be permitted to set as its maximum eligibility requirement. The State may revise the poverty line only upon a determination that eligible entities are providing, coordinating, or partnering with means-tested support services for low and moderate-income individuals and families above the official poverty line. Nothing in this paragraph shall be construed to prevent eligible entities from continuing to support individuals and families during their transition from program eligibility to achieve specific goals for their economic security and long-term self-sufficiency as long as priority is given to serving the lowest income individuals who seek services.”.

#### **[SEC. 103. AUTHORIZATION OF APPROPRIATIONS.]**

[Section 674 of the Community Services Block Grant Act (42 U.S.C. 9903) is amended—

[(1) in subsection (a), by striking “1999 through 2003” and inserting “2004 through 2009”; and

[(2) in subsection (b)(2)—

[(A) in subparagraph (A), by striking “or associations” and inserting “and associations”; and

[(B) in subparagraph (B)—

[(i) by striking “½ of the remainder” and inserting “not less than ½ of the remainder”; and

[(ii) by striking “evaluation and” and inserting “evaluation and training and technical assistance activities and”.

#### **[SEC. 104. ESTABLISHMENT OF PROGRAM.]**

[Section 675 of the Community Services Block Grant Act (42 U.S.C. 9904) is amended by striking “through the program” and all that follows through the period and inserting “to States for the purpose of ameliorating the causes of poverty and the conditions caused by poverty in their communities.”.

#### **[SEC. 105. USE OF FUNDS.]**

[Section 675C(b) of the Community Services Block Grant Act (42 U.S.C. 9907) is amended—

[(1) in paragraph (1)—

[(A) in subparagraph (A), by striking “entities in need of such training and assist-

ance” and inserting “eligible entities and their statewide associations that strengthens their managerial or programmatic capabilities to reduce poverty”; and

[(B) by striking subparagraphs (B) through (H), and inserting the following:

[(“B) supporting statewide coordination and communication among eligible entities and State-operated or supported programs and services, and other locally-operated programs and services targeted to low-income individuals and their children and families, so as to ensure that local eligible entities’ services are integrated in a manner that allows such low-income individual and their families to have access to as many sources of assistance as are appropriate to support their progress to economic stability and self-sufficiency;

[(“C) supporting innovative partnerships, programs, and activities conducted by community action agencies and their partners including other community-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization, including asset-building programs for low-income individuals, such as programs supporting individual development accounts, and home or business ownership;

[(“D) analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need;

[(“E) supporting State charity tax credits as described in subsection (c);

[(“F) supporting the identification of exemplary grantee agencies or programs as Centers of Innovation and methodology for disseminating innovative programs and other best practices from those agencies statewide;

[(“G) supporting the development of eligible entities’ partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners; and

[(“H) supporting other activities, consistent with the purposes of this subtitle.”;

[(2) in paragraph (2), by adding at the end the following: “. The State shall also ensure that all funds distributed under subsection (a) are not used for excessive administrative expenses and that all funds distributed under such subsection used for salaries by a local entity are fair and equitable. The State has the authority to determine the appropriate level of funds distributed under subsection (a) that an eligible entity shall use for administrative expenses.”.

#### **[SEC. 106. APPLICATION AND PLAN.]**

[Section 676 of the Community Services Block Grant Act (42 U.S.C. 9908) is amended—

[(1) in subsection (b)—

[(A) in the matter preceding paragraph (1), by inserting “for the Secretary’s approval” after “to the Secretary”;]

[(B) by striking paragraphs (1) through (6) and inserting the following:

[(“1) an assurance that funds made available through the grant or allotment will be used—

[(“A) to support activities directly and through eligible entities that are designed to expand opportunities for and assist low-income individuals and their families (including low-income workers) to become self-sufficient, including low-income workers, families, and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals—

[(“i) to remove obstacles and solve problems that block the achievement of self-suf-

ficiency by organizing and coordinating support for those served under paragraph (3);]

[(“ii) to secure and retain employment that provides adequate income with essential benefits;

[(“iii) to attain an adequate education, with particular attention toward improving literacy and communications and technical skills of the low-income families in the communities involved;

[(“iv) to make better use of available income and build household assets;

[(“v) to obtain and maintain adequate housing and a suitable living environment;

[(“vi) to obtain assistance that is needed to resolve family emergencies and individual needs, to prevent further hardships, and to secure economic independence; and

[(“vii) to participate fully in the public affairs and management of their communities and the governance of eligible entities; and

[(“B) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts);]

[(“2) a description of how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative community-based initiatives of eligible entities and their partners related to the purposes of this subtitle;

[(“3) an assurance that the State has integrated programs of general relevance in its plan, to the extent appropriate to the needs of low-income communities served by the eligible entities, including a description of innovative community and neighborhood-based initiatives such as—

[(“A) initiatives with the goal of strengthening families and encouraging effective parenting, including fatherhood initiatives;

[(“B) initiatives to assist those moving from welfare to work to obtain jobs at decent wages with benefits, including those low-income individuals and their families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act;

[(“C) programs for the establishment of violence-free zones that would involve youth development and intervention models that promote youth success (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs);]

[(“D) family literacy initiatives;

[(“E) initiatives to increase the development of household assets of individuals such as individual development accounts and homeownership opportunities;

[(“F) public and private partnerships to foster community development, affordable housing, job creation, and other means of building the assets of low-income communities;

[(“G) partnerships with local law enforcement agencies, which may include participation in community policing, and activities to assist community residents and public safety officials in the event of emergencies, including threats to national security;

[(“H) initiatives to improve economic conditions and mobilize new resources in rural areas and other at-risk areas to eliminate obstacles to the self-sufficiency of families and individuals in those communities;

[(“I) initiatives to help reduce the concentration of poverty in cities and inner suburbs and provide economic opportunities for individuals and families in those areas; and

[(“J) partnerships with nonprofit or community-based organizations that demonstrate effectiveness in child abuse prevention, including with programs that are school-based and that focus on adolescent victims, and victimizers;

“(4) an assurance that the State will provide information, including—

“(A) a description of the State measurement system and results for the performance goals established under section 678E(a)(1)(C);

“(B) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under section 675C(a), targeted to low-income individuals and families in communities within the State;

“(C) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and followup consultations, and to support mobilization of new resources and partnerships;

“(D) a description of how funds made available through grants made under section 675C(a) will be coordinated with other public and private resources; and

“(E) a description of how the local entity will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle;

“(5) an assurance that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals;

“(6) an assurance that the State has, to avoid duplication of such services, and to ensure that program gaps are addressed, identified and coordinated with eligible entity programs, with State and local agencies, and with programs that assist low-income individuals and their families, including—

“(A) programs carried out under part A of title IV of the Social Security Act, the Workforce Investment Act, and other programs designed to coordinate work-related supportive services for families;

“(B) programs for expanding housing opportunities, reducing homelessness, and developing community investment projects;

“(C) education programs, including those for preschool and school-aged children and for adults to obtain an adequate education; and

“(D) programs designed to support youth, the homeless, migrants, senior citizens, and individuals with disabilities, including programs under the Low-Income Home Energy Assistance Act of 1981;”

“(C) in paragraph (12), by striking “not later than fiscal year 2001” and inserting “annually”;

“(D) in paragraph (13), by striking the period and inserting “in sufficient detail to permit verification; and”;

“(E) by adding at the end the following:

“(14) beginning with fiscal year 2006, and in each fiscal year thereafter, an assurance that the State is using the procedures described in section 678B(b) to monitor eligible entities.”; and

“(2) by striking subsection (f).

#### **[SEC. 107. DESIGNATION OF ELIGIBLE ENTITIES IN UNDERSERVED AREAS.]**

[Section 676A(b) of the Community Services Block Grant Act (42 U.S.C. 9909(b)) is amended by adding at the end the following: “In granting such designation, the State shall deem private nonprofit eligible entities that are providing related services in the unserved area to be of demonstrated effectiveness, consistent with the needs identified by a community needs assessment.”]

#### **[SEC. 108. TRIPARTITE BOARDS.]**

[Section 676B(b) of the Community Services Block Grant Act (42 U.S.C. 9910(b)) is amended—

“(1) by striking “through—” and all that follows through “a tripartite” in paragraph (1) and inserting “through a tripartite”;

“(2) by striking paragraph (2);

“(3) in subparagraph (C), by striking “; or” and inserting a period; and

“(4) by redesignating subparagraphs (A) through (C) as paragraph (1) through (3), respectively and realigning the margins of such paragraphs accordingly.

#### **[SEC. 109. TRAINING, TECHNICAL ASSISTANCE, AND OTHER ACTIVITIES.]**

[Section 678A of the Community Services Block Grant Act (42 U.S.C. 9913) is amended—

“(1) in subsection (a)(1)—

“(A) in subparagraph (A), by striking “corrective action” and all that follows through “; and” and inserting “monitoring and such additional corrective actions as may be needed to strengthen the management and programmatic practices of eligible entities;”;

“(B) by striking subparagraph (B) and inserting the following:

“(B) for State and local performance reporting and program data collection activities related to programs carried out under this subtitle;

“(C) for the preparation of reports provided for in section 678F;

“(D) for the development and promulgation of a common State Financial and Organizational Protocol that is required to be used by States under section 678B(b); and

“(E) to distribute amounts in accordance with subsection (c).”;

“(2) in subsection (b)(2), by striking “an ongoing procedure for obtaining input from the national and State networks of eligible entities” and inserting “a strategic plan for annual technical assistance developed in consultation with the national and State networks of eligible entities regarding their management support needs”; and

“(3) in subsection (c)(1), by striking “management information” and all that follows through the period, and inserting “improving management information and reporting systems, measuring of program results, ensuring responsiveness to identified local needs, and reporting and disseminating successful practices and initiatives”.

#### **[SEC. 110. MONITORING.]**

[Section 678B of the Community Services Block Grant Act (42 U.S.C. 9914) is amended—

“(1) in the section heading by striking “OF ELIGIBLE ENTITIES”;

“(2) in subsection (a)—

“(A) by striking the subsection heading and inserting “MONITORING OF ELIGIBLE ENTITIES”;

“(B) in paragraph (1)—

“(i) by inserting “biennial” after “onsite”; and

“(ii) by striking “at least once during each 3 year period”;

“(C) by striking paragraph (2);

“(D) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

“(E) in paragraph (2) (as so redesignated), by inserting “annual” after “Follow-up”;

“(3) by redesignating subsections (b) and (c) as subsection (c) and (d), respectively;

“(4) by inserting after subsection (a) the following:

“(b) **FINANCIAL AND ORGANIZATIONAL ASSESSMENT PROTOCOL.**—Beginning in fiscal year 2006, States shall implement a financial and organizational assessment protocol to monitor and evaluate the compliance of eligible entities with the financial and administrative requirements of this section. Such protocol shall incorporate the fiscal and organizational review procedures and standards appropriate to the management of Federal funds under this subtitle and the governance of the eligible private non-profit corporations or other eligible entities. The

Secretary shall require the protocol to be developed jointly by the States and eligible entities and shall assist States in developing appropriate training for personnel monitoring the uses of funds under this subtitle according to the requirements of this section.”; and

“(5) in subsection (d), as so redesignated, strike the last sentence and insert the following: “The Secretary shall annually submit a report including the results of the evaluations conducted under this subtitle, the State performance reports provided for pursuant to section 678E(a)(1)(C), and other material as provided by section 678E(b)(2) to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.”]

#### **[SEC. 111. CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.]**

[Section 678C of the Community Services Block Grant Act (42 U.S.C. 9915) is amended—

“(1) in subsection (a)—

“(A) in paragraph (4), by striking “and” at the end; and

“(B) by striking paragraph (5) and inserting the following:

“(5) if the eligible entity fails to correct the deficiency, notify the entity—

“(A) that the State intends to initiate proceedings to terminate the designation of the entity as an eligible entity or to reduce, from the previous year, the proportion of the total funding received by the State under this subtitle that is allocated to the eligible entity;

“(B) that the eligible entity has the right to a hearing on the record to determine if there is cause for such termination or reduction in funding, as defined in section 676(c), and that the request for a hearing must be made in writing to the State within 30 days of receipt of the notice from the State; and

“(C) of the legal basis for the proposed termination or reduction in funding, the factual findings on which the proposed termination or reduction in funding is based or a reference to specific findings in another document that form the basis for the proposed termination or reduction in funding (such as a reference to item numbers in an on-site review report or instrument), and citation to any statutory provisions, agreements, regulations, or State plan; and

“(6) if the eligible entity requests a hearing, conduct a hearing on the record to determine if there is cause for termination or a reduction in funding, as defined in section 676(c).”;

“(2) in subsection (b)—

“(A) by striking “review such a determination” and inserting “review and either approve, or disapprove and reverse, such a determination”;

“(B) by striking “90 days” each place that such appears and inserting “30 days”; and

“(C) by striking “90th day” and inserting “30th day”; and

“(3) in subsection (c), by adding at the end the following: “The Secretary shall continue to fund an eligible entity, in an amount equal to the same proportion of total funds received by the State under this subtitle as was allocated to the eligible entity the previous year, until the Secretary approves, or disapproves and reverses, the determination of termination or reduction in funding with respect to the State.”]

#### **[SEC. 112. FISCAL CONTROLS, AUDITS, AND WITHHOLDING.]**

[Section 678D of the Community Services Block Grant Act (42 U.S.C. 9916) is amended—

“(1) in subsection (a)(1)—

“(A) in subparagraph (C), by striking “and” at the end;

[(B) by redesignating subparagraph (D) as subparagraph (F); and

[(C) by inserting after subparagraph (C), the following:

[(D) notwithstanding paragraph (2)(B), beginning in fiscal year 2005, and not less than every 2 years thereafter, each State shall submit to the Secretary a separate audit of the funds appropriated under this subtitle that meets the standards in paragraph (2)(A); and

[(E) submit full financial reports to the Secretary not later than 6 months following the end of each fiscal year; and"; and

[(2) in subsection (b)(1), by adding at the end the following: "The Secretary, after providing adequate notice, shall withhold administrative funds described in section 675C(b)(2) from any State that fails to comply with the provisions of sections 678A through 678D(a), and may, after an opportunity for a hearing conducted within the affected State, withhold funds from the State and provide such funds directly to the eligible entities in such State upon a demonstration of the compliance by such entities with the requirements of this subtitle."

**[SEC. 113. ACCOUNTABILITY AND REPORTING REQUIREMENT.**

[Section 678E of the Community Services Block Grant Act (42 U.S.C. 9917) is amended to read as follows:

**["SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIREMENTS.**

[(a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

[(1) PERFORMANCE MEASUREMENT OF ELIGIBLE ENTITIES.—

[(A) IN GENERAL.—Each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a performance measurement system, which may be a performance measurement system for which the Secretary facilitated development pursuant to subsection (b), or an alternative system that the Secretary is satisfied meets the requirements of subsection (b).

[(B) LOCAL AGENCIES.—The State may elect to have local agencies that are subcontractors of the eligible entities under this subtitle participate in the performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include the local agencies.

[(C) PERFORMANCE MEASUREMENT OF STATES.—Not later than 1 year after the date of enactment of the Poverty Reduction and Prevention Act, the Secretary shall establish, in consultation with States and eligible entities, performance standards for the State administration of block grant funds. Such standards shall include standards relating to—

[(i) the timeliness of the availability of State plans for public comment as required under section 676(a)(2)(B) and of submission of such plans to the Secretary as required in section 676(b);

[(ii) the utilization of the financial and organizational assessment protocol established under section 678B(b), including the training and skills of State personnel responsible for such oversight, the completion of annual monitoring, the identification of opportunities for improvement, and the implementation of plans to enhance the management capacity and infrastructure of eligible entities;

[(iii) the timeliness of the distribution of block grants funds to eligible entities as provided in section 675C(a);

[(iv) the resources made available for management development at eligible entities, including monitoring, training, and assistance with financial management and program information and assessment systems;

[(v) the results of State efforts to coordinate eligible entity programs with other State programs for low-income individuals and their families, especially participants in the Temporary Assistance for Needy Families Program and other working families, and to ensure the participation of eligible entities in the development of statewide strategies to reduce poverty; and

[(vi) the assistance provided to eligible entities in securing private partnerships as required in section 676(b).

[(2) ANNUAL REPORT.—Each State shall annually prepare and submit to the Secretary a report on the measured performance of the State and the eligible entities in the State. The State shall include in the report any information collected by the State relating to such performance. Each State shall also include in the report an accounting of the expenditure of funds received by the State through the community services block grant program, including an accounting of funds spent on administrative costs by the State and the eligible entities, funds spent by eligible entities on the direct delivery of local services, and the achievement of national goals established under the procedures described in this section, and shall include information on the number of and characteristics of clients served under this subtitle in the State, based on data collected from the eligible entities. The State shall also include in the report a summary describing the training and technical assistance offered by the State under section 678C(a)(3) during the year covered by the report.

[(b) LOCAL ENTITY ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

[(1) LOCAL ENTITY DETERMINED GOALS.—In order to be designated as an eligible entity and to receive a grant under this subtitle, a grantee shall establish grantee determined goals for reducing poverty in the community, including goals for—

[(A) leveraging community resources;

[(B) fostering coordination of Federal, State, local, private, and other assistance; and

[(C) promoting community involvement.

[(2) DEMONSTRATION THAT GOALS WERE MET.—In order to receive a grant subsequent to the first grant that is provided to an eligible entity following the date of enactment of the Poverty Reduction and Prevention Act, the entity shall demonstrate to the State that substantial progress has been made in meeting the goals of the entity as described in paragraph (1).

[(3) GOALS OR PERFORMANCE MEASURES.—Any specific goals or performance measures, for an individual eligible entity, that are used in any monitoring or review process under this subtitle, shall be—

[(A) determined by the entity;

[(B) agreed on by the State involved and the entity, during the planning process leading to the grant involved; and

[(C) incorporated into the grant agreement between the State and entity for each subsequent award cycle.

[(c) SECRETARY'S ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

[(1) FEDERAL PERFORMANCE MEASUREMENT.—The Secretary shall establish goals for the Department of Health and Human Services Office of Community Services with respect to—

[(A) the timeliness of the distribution of funds under this subtitle, including funds for training and technical assistance;

[(B) the monitoring of States as provided for in section 678D;

[(C) the coordination of other Office of Community Service programs with the activities of States and eligible entities under this subtitle; and

[(D) the full and timely reporting as required in this section.

[(2) LOCAL PERFORMANCE MEASUREMENT.—

[(A) IN GENERAL.—To the maximum extent practicable, the Secretary shall coordinate reporting requirements for all programs of the Department of Health and Human Services that are managed by eligible entities so as to consolidate and reduce the number of reports required relating to individuals, families, and uses of grant funds, specifically funds under the Head Start Act, the Low-Income Home Energy Assistance Act of 1981, child care programs administered by the Department, and health related service programs administered by the Department.

[(B) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance, including support for the enhancement of electronic data systems, to States and to eligible entities to enhance their capability to collect and report data for such a system and to aid in their participation in such a system.

[(C) LOCAL ENTITY PERFORMANCE MEASUREMENT SYSTEM.—The Secretary shall assist in the implementation of a local entity performance measurement system, and other voluntary programmatic and results reporting systems, developed by States, eligible entities, and their national associations acting together. The Secretary and the developers of such systems shall ensure that the set of measures are numerous enough to cover the full range of services offered by all local eligible entities. Under such a system, local eligible entities shall only be compelled to collect data on the subset of performance measures that reflect their community-specific programs and services currently adopted. Grantees shall not be required under this subparagraph to alter the collection of data for any reports provided for other programs within the Department of Health and Human Services or other Federal agencies. States shall compile annual Results Oriented Management and Accountability System reports for the Secretary under this subparagraph.

[(3) REPORTING REQUIREMENTS.—For each fiscal year the Secretary shall, directly or by grant or contract, prepare a report containing—

[(A) a summary of the planned use of funds by each State, and the eligible entities in the State, under the community services block grant program, as contained in each State plan submitted pursuant to section 676;

[(B) a description of how funds were actually spent by the State and eligible entities in the State, including a breakdown of funds spent on administrative costs and on the direct delivery of local programs by eligible entities;

[(C) information on the number of entities eligible for funds under this subtitle, the number of low-income persons served under this subtitle, and such demographic data on the low-income populations served by eligible entities as is determined by the Secretary to be feasible;

[(D) a comparison of the planned uses of funds for each State and the actual uses of the funds;

[(E) a summary of each State's performance results, and the results for the eligible entities, as collected and submitted by the States in accordance with subsection (a)(2); and

[(F) any additional information that the Secretary considers to be appropriate to carry out this subtitle, if the Secretary informs the States of the need for such additional information and allows a reasonable period of time for the States to collect and provide the information.

[(4) SUBMISSION.—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate

the report described in paragraph (2), and any comments the Secretary may have with respect to such report. The report shall include definitions of direct and administrative costs used by the Department of Health and Human Services for programs funded under this subtitle.

“(5) COSTS.—Of the funds reserved under section 674(b)(3), not more than \$500,000 shall be available to carry out the reporting requirements contained in paragraph (3).”

#### **[SEC. 114. LIMITATIONS ON USE OF FUNDS.]**

[Section 678F(c)(1) of the Community Services Block Grant Act (42 U.S.C. 9918(c)(1)) is amended by inserting “religion,” after “race.”]

#### **[SEC. 115. OPERATIONAL RULE.]**

[Section 679(a) of the Community Services Block Grant Act (42 U.S.C. 9920(a)) is amended by inserting “and such organization meets the requirements of this subtitle” before the first period;

#### **[SEC. 116. DISCRETIONARY AUTHORITY OF THE SECRETARY.]**

[Section 680 of the Community Services Block Grant Act (42 U.S.C. 9921) is amended—

“(1) in subsection (a)—

“(A) in paragraph (2)—

“(i) by redesignating subparagraphs (B) through (E) as subparagraphs (D) through (G), respectively;

“(ii) by striking subparagraph (A) and inserting the following:

“(A) ECONOMIC DEVELOPMENT ACTIVITIES.—The Secretary shall make grants described in paragraph (1) on a competitive basis to private, nonprofit organizations that are community development corporations to provide technical and financial assistance for economic development activities, including business, economic, and community development projects, designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities. Such assistance shall include—

“(i) long term loans (up to 15 years) or investments for private business enterprises;

“(ii) providing capital to businesses owned by community development corporations; and

“(iii) marketing and management assistance for businesses providing jobs and business opportunities to low income individuals.

“(B) FEDERAL INTEREST.—

“(i) IN GENERAL.—The Secretary shall establish procedures that permit a grantee who receives funds under a grant to carry out this paragraph, or intangible assets acquired with such funds, to become the sole owner of the funds or assets before the end of the 12-year period beginning at the end of the fiscal year for which the grant is made.

“(ii) CONDITIONS.—To be eligible to become the sole owner, the grantee shall agree—

“(I) to use the funds or assets for the purposes and uses for which the grant was made, or purposes and uses consistent with this subtitle, during and after the 12-year period described in clause (i), whether or not the grantee continues to be supported by Federal funds; and

“(II) that, when the grantee no longer needs the funds or assets for purposes and uses described in subclause (I), the grantee shall request instructions from the Secretary about the disposition of the funds or assets.

“(iii) ENCUMBERING.—The grantee may not encumber the assets without the approval of the Secretary.

“(C) ADMINISTRATIVE REQUIREMENTS.—In a case in which an eligible project under grant made under this section cannot, for good cause, be implemented, the Secretary shall

establish a policy to permit the substitution of other eligible projects. Such policy shall require that such project have the same impact area, the same goals, and the same objectives as the original project and outcomes that are substantially the same as the original project.”;

“(iii) in subparagraph (E) (as so redesignated), by striking “community” and inserting “service area”; and

“(iv) in subparagraph (G) (as so redesignated), by striking “1 percent” and inserting “2 percent”; and

“(B) in paragraph (3)(B), by striking “community” and inserting “water and waste water”; and

“(C) in paragraph (4), by striking “individual and families” and inserting “individual and their families”; and

“(2) in subsection (c), by striking “Labor and Human Resources” and inserting “Health, Education, Labor, and Pensions”.

#### **[SEC. 117. COMMUNITY FOOD AND NUTRITION PROGRAMS.]**

[Section 681 of the Community Services Block Grant Act (42 U.S.C. 9922) is amended—

“(1) in subsection (c), by striking “Labor and Human Resources” and inserting “Health, Education, Labor, and Pensions”; and

“(2) in subsection (d), by striking “1999 through 2003” and inserting “2004 through 2009”.

#### **[SEC. 118. NATIONAL OR REGIONAL PROGRAMS DESIGNED TO PROVIDE INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH.]**

[Section 682 of the Community Services Block Grant Act (42 U.S.C. 9923) is amended—

“(1) in subsection (b)(2), by striking “or treatment”; and

“(2) in subsection (g), by striking “\$15,000,000 for each of fiscal years 1999 through 2003” and inserting “\$18,000,000 for each of fiscal years 2004 through 2009”.

#### **[SEC. 119. SHORT TITLE AND CONFORMING AMENDMENTS.]**

“(a) IN GENERAL.—Section 671 of the Community Services Block Grant Act (42 U.S.C. 9901 note) is amended by striking “Community Services Block Grant Act” and inserting “Poverty Reduction and Prevention Act”.

“(b) CONFORMING AMENDMENTS.—

“(1) COMMUNITY SERVICES BLOCK GRANT ACT.—The heading for subtitle B of title VI of the Omnibus Budget Reconciliation Act of 1981 is amended to read as follows:

#### **“[“Subtitle B—Poverty Reduction and Prevention Program”]**

“(2) OTHER PROVISIONS OF LAW.—The following provisions of law are each amended by striking “Community Services Block Grant Act” each place that such appears and inserting “Poverty Reduction and Prevention Act”:

“(A) Section 307(a)(3)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(A)).

“(B) Section 5(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(c)(1)).

“(C) Section 201A(7) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501(7)).

“(D) Section 172(13) of the Program for Investment in Microentrepreneurs Act of 1999 (15 U.S.C. 6901(13)).

“(E) Sections 201(b)(3), 435(o)(1)(A)(ii), and 435(o)(1)(B)(ii) of the Higher Education Act of 1965 (20 U.S.C. 1021(b)(3), 1085(o)(1)(A)(ii), and 1085(o)(1)(B)(ii)).

“(F) Section 131(b)(2) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2351(b)(2)).

“(G) Section 9109(33) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(33)).

“(H) Section 231(a)(2) of the Museum and Library Services Act (20 U.S.C. 9141(a)(2)).

“(I) Sections 101(36), 112(b)(8)(A)(vii), 121(b)(1)(B)(x), and 501(b)(2)(O) of the Workforce Investment Act of 1998 (29 U.S.C. 2801(36), 2822(b)(8)(A)(vii), and 2841(b)(1)(B)(x), and 20 U.S.C. 9271(b)(2)(O)).

“(J) Section 303(9) of the Early Learning Opportunities Act (20 U.S.C. 9402(9)).

“(K) Sections 6501(4)(B) and 6703(a)(2) of title 31, United States Code.

“(L) Section 455(c)(3)(B)(ii) of title 40, United States Code.

“(M) Section 317M(c)(3)(B)(ii) of the Public Health Service Act (42 U.S.C. 247b-14(c)(3)(B)(ii)).

“(N) Section 2110(c)(5) of the Social Security Act (42 U.S.C. 1397j(c)(5)).

“(O) Sections 102(38), 203(b)(13), 213, 306(a)(6)(C), and 503(b)(2) of the Older Americans Act of 1965 (42 U.S.C. 3002(38), 3013(b)(13), 3020d, 3026(a)(6)(C), and 3056a(b)(2)).

“(P) Sections 103(a)(6), 105(b)(2)(A), 211(e)(1), and 421(6) of the Domestic Volunteer Service Act of 1973 (42 U.S.C. 4953(a)(6), 4955(b)(2)(A), 5011(e)(1), and 5061(6)).

“(Q) Sections 2603(8) and 2607(B)(2)(B)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8622(8) and 8626(b)(2)(B)(i)).

“(R) Sections 407(b)(2) and 408(a)(1)(C) of the Human Services Reauthorization of 1986 (42 U.S.C. 9812a(b)(2) and 9925(a)(1)(C)).

“(S) Section 630(a) of the Community Economic Development Act of 1981 (42 U.S.C. 9819(a)).

“(T) Sections 158(b) and 178(i)(1) of the National and Community Service Act of 1990 (42 U.S.C. 12618(b) and 12638(i)(1)).

“(U) The 5th unnumbered paragraph (relating to poverty line) of section 34041 of the Community Schools Youth Services and Supervision Grant Program Act of 1994 (42 U.S.C. 13791).

### **[TITLE II—LOW-INCOME HOME ENERGY ASSISTANCE]**

#### **[SEC. 201. SHORT TITLE.]**

[This title may be cited as the “Low-Income Home Energy Assistance Amendments of 2003”.

#### **[SEC. 202. REAUTHORIZATION.]**

“(a) IN GENERAL.—Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended in the first sentence by striking “such sums” and all that follows through the period and inserting “and \$3,400,000,000 for each of fiscal years 2004 through 2006, and such sums as may be necessary for each fiscal year thereafter.”.

“(b) PROGRAM YEAR.—Section 2602(c) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(c)) is amended by inserting “authorized” after “programs and activities”.

“(c) INCENTIVE PROGRAM FOR LEVERAGING NON-FEDERAL RESOURCES.—Section 2602(d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(d)) is amended—

“(1) in paragraph (1), by striking “1994 through 2004” and inserting “2004 through 2010”; and

“(2) in paragraph (2), “1994 through 2004” and inserting “2004 through 2010”.

#### **[SEC. 203. NATURAL DISASTERS AND OTHER EMERGENCIES.]**

[Section 2604(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(e)) is amended by adding at the end the following flush sentences:

“Notwithstanding any other provision of this section, for purposes of making determinations under section 2603(1)(C), if the Secretary determines that there is an increase of at least 20 percent in the cost of home energy over the previous 5-year average for a duration of a month or more in one

or more States or regions, the Secretary shall declare an energy emergency in the affected area and shall make available funds as provided in this subsection. Notwithstanding any other provision of this section, for purposes of making such determinations, if the Secretary determines that the number of heating degree days or cooling days for a month was more than 100 above the 30-year average in one or more States or regions, the Secretary shall declare an energy emergency in the affected area and shall make available funds as provided in this subsection."

**[SEC. 204. RESIDENTIAL ENERGY ASSISTANCE CHALLENGE OPTION.]**

[(a) EVALUATION.—The Comptroller General of the United States shall conduct an evaluation of the Residential Energy Assistance Challenge program described in section 2607B of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626b).]

[(b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report containing—

[(1) the findings resulting from the evaluation described in subsection (a); and

[(2) the State evaluations described in paragraphs (1) and (2) of section 2607B(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626b(b)).]

**[SEC. 205. REPORT TO CONGRESS.]**

[(a) STUDY.—

[(1) IN GENERAL.—The Secretary of Health and Human Services shall conduct a study on the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)

[(2) REQUIREMENTS.—In conducting the study under subparagraph (A), the Secretary of Health and Human Services shall—

[(A) evaluate the performance of the Low-Income Home Energy Assistance Program, including who the program is serving, the benefits of the program to recipients, and the ability of the program to reduce utility arrearage and shut-offs among low-income households;

[(B) develop a protocol for States to collect information from energy distribution companies, including electric, natural gas, heating oil, and propane companies, concerning the following residential customer statistics—

[(i) the number of accounts certified as eligible for energy assistance;

[(ii) the number of accounts certified as eligible for energy assistance and that are past due;

[(iii) the total revenue owed on accounts eligible for energy assistance and that are past due;

[(iv) the number of disconnection notices issued on accounts eligible for energy assistance;

[(v) the number of disconnections for non-payment;

[(vi) the number of reconnections;

[(vii) the number of accounts eligible for energy assistance and determined uncollectible; and

[(viii) the energy burden of accounts eligible for energy assistance;

[(C) analyze the public health and safety threats of hypothermia and hyperthermia due to a lack of home heating or home cooling, including mortality, morbidity, and decrease in caloric intake;

[(D) analyze the affect of the standard of housing and housing age on energy costs to low-income households;

[(E) evaluate regional difference in cost-of-living and the ability of low-income families to meet home energy requirements; and

[(F) determine the programmatic impacts of using 60 percent of State median income to determine low-income households.

[(b) REPORT.—Not later than 24 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit to Congress a report containing the results of the study conducted under subsection (a).

[(c) DEFINITION.—In this section, the term "State" means each of the 50 States and the District of Columbia.

[(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for each of fiscal year 2004 and 2005.

[(e) CONTRACTS.—Using amounts appropriated under subsection (d), the Secretary of Health and Human Services may enter into contracts or jointly financed cooperative agreements or interagency agreements with States and public agencies and private nonprofit organizations to conduct the study under subsection (a).

**[TITLE III—ASSETS FOR INDEPENDENCE ACT]**

**[SEC. 301. SHORT TITLE.]**

[This title may be cited as the "Assets for Independence Reauthorization Act".]

**[SEC. 302. REAUTHORIZATION OF THE ASSETS FOR INDEPENDENCE ACT.]**

[(a) DEFINITION OF QUALIFIED EXPENSES.—Section 404(8) of the Assets for Independence Act (42 U.S.C. 604 note) is amended—

[(1) in subparagraph (A)—

[(A) in the matter preceding clause (i), by inserting "or to a vendor following approval by a qualified entity upon submission of an approved qualified education purchase plan" before the period; and

[(B) by adding at the end the following:

["(iii) QUALIFIED EDUCATION PURCHASE PLAN.—The term 'qualified education purchase plan' means a document that explains the education item to be purchased which—

["(I) is approved by a qualified entity; and

["(II) includes a description of the good to be purchased.";

[(2) in subparagraph (D), by striking "eligible"; and

[(3) by adding at the end the following:

["(E) SAVING IN IDAS FOR DEPENDENTS.—Amounts paid to an individual development account established for the benefit of a dependent (as such terms is defined for purposes of subparagraph (D)(ii)) of an eligible individual for the purpose of post-secondary education.".

[(b) REPEAL OF PROVISION.—Section 405 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking subsection (g).

[(c) RESERVE FUND.—Section 407 of the Assets for Independence Act (42 U.S.C. 604 note) is amended—

[(1) in subsection (b)—

[(A) in paragraph (1)—

[(i) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

[(ii) by inserting before subparagraph (B) (as so redesignated) the following:

["(A) all grant funds provided to the qualified entity from the Secretary for the purpose of the demonstration project as described under subsection (c)(1);" and

[(B) by adding at the end the following:

["(3) RULE OF CONSTRUCTION.—Nothing in paragraph (1)(A) shall be construed to preclude a qualified entity from depositing other demonstration project funds into the Reserve Fund."; and

[(2) in subsection (d), by inserting "the date that is 12 months after" after "upon the";

[(d) USE OF AMOUNTS.—Section 407(c) of the Assets for Independence Act (42 U.S.C. 604

note) is amended by adding at the end the following:

["(4) USE OF NONFEDERAL FUNDS.—

["(A) IN GENERAL.—Notwithstanding paragraph (3), not more than 20 percent of the amount of non-Federal funds committed to a project as matching contributions in accordance with the application submitted by the qualified entity under section 405(c)(4) shall be used by the qualified entity for the purposes described in subparagraphs (A), (C), and (D) of paragraph (1).]

["(B) PRIORITY.—In awarding grants under section 406(b), the Secretary shall give priority to qualified entities that submit applications that, with respect to the commitment of non-Federal funds under section 5(c)(4), provide assurances that are not to exceed 15 percent of such non-Federal funds will be used by the qualified entity for the purposes described in subparagraphs (A), (C), and (D) of paragraph (1)."]

[(e) ELIGIBILITY FOR PARTICIPATION.—Section 408(a)(1) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

["(1) INCOME TEST.—The—

["(A) gross income of the household is—

["(i) equal to or less than 200 percent of the poverty line (as determined by the Office of Management and Budget);

["(ii) the earned income amount described in section 32 of the Internal Revenue Code of 1986 (taking into account the size of the household); or

["(iii) equal to or less than 80 percent of the Area Median Income (as determined by the Department of Housing and Urban Development); or

["(B) the modified adjusted gross income of the household for the previous year does not exceed \$18,000 for an individual filer, \$30,000 for a head of household, or \$38,000 for a joint filer.".

[(f) DEPOSITS BY QUALIFIED ENTITIES.—Section 410 of the Assets for Independence Act (42 U.S.C. 604 note) is amended—

[(1) in subsection (a), by striking "qualified entity—" and all that follows through the end and inserting the following: "qualified entity, a matching contribution of not less than \$0.50 and not more than \$4 for every \$1 of earned income (as defined in section 911(d)(2) of Internal Revenue Code of 1986) deposited in the account and interest earned on that account by a project participant during that period. Matching contributions shall be made—

["(1) from the non-Federal funds described in section 405(c)(4); and

["(2) from the grant made under section 406(b);

"based on a ratio relating to the sources of funds described in paragraph (1) and (2) as determined by the qualified entity.";

[(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

[(3) by inserting after subsection (a), the following:

["(b) USE OF EXCESS INTEREST ON MATCHING FUNDS EARNED ON THE RESERVE FUND.—Interest that accrues on the matching funds earned and held in the Reserve Fund, over and above the interest required to match an individual's deposits and interest earned in the individual development account, shall be used by the qualified entity to fund existing individual development accounts or additional individual development accounts.".

[(g) AUTHORIZATION OF APPROPRIATIONS.—Section 416 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "and 2003" and inserting "and 2003, \$25,000,000 for fiscal year 2004, and such sums as may be necessary for each of fiscal years 2005 through 2008.".

[(h) APPLICATION OF AMENDMENTS.—In administering the Assets for Independence Act



(42 U.S.C. 604 note), the Secretary of Health and Human Services may apply the amendments made by this section to individual account holders and entities that received grants under such Act either before or after the date of enactment of this Act.】

#### **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Poverty Reduction and Prevention Act”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.

#### **TITLE I—COMMUNITY SERVICES BLOCK GRANT ACT**

Sec. 101. Purposes.

Sec. 102. Definitions.

Sec. 103. Authorization of appropriations.

Sec. 104. Establishment of program.

Sec. 105. Use of funds.

Sec. 106. Application and plan.

Sec. 107. Designation of eligible entities in underserved areas.

Sec. 108. Tripartite boards.

Sec. 109. Training, technical assistance, and other activities.

Sec. 110. Monitoring.

Sec. 111. Corrective action; termination and reduction of funding.

Sec. 112. Fiscal controls, audits, and withholding.

Sec. 113. Accountability and reporting requirement.

Sec. 114. Limitations on use of funds.

Sec. 115. Operational rule.

Sec. 116. Discretionary authority of the Secretary.

Sec. 117. Community food and nutrition programs.

Sec. 118. National or regional programs designed to provide instructional activities for low-income youth.

#### **TITLE II—LOW-INCOME HOME ENERGY ASSISTANCE**

Sec. 201. Short title.

Sec. 202. Reauthorization.

Sec. 203. Natural disasters and other emergencies.

Sec. 204. Residential Energy Assistance Challenge option.

Sec. 205. Report to Congress.

#### **TITLE III—ASSETS FOR INDEPENDENCE ACT**

Sec. 301. Short title.

Sec. 302. Reauthorization of the Assets for Independence Act.

#### **TITLE I—COMMUNITY SERVICES BLOCK GRANT ACT**

##### **SEC. 101. PURPOSES.**

Section 672 of the Community Services Block Grant Act (42 U.S.C. 9901) is amended to read as follows:

##### **“SEC. 672. PURPOSES.**

“The purpose of this subtitle is to reduce poverty—

“(1) by strengthening and coordinating local efforts to expand opportunities for individuals and families to become economically self-sufficient and to improve and revitalize the communities in which low-income Americans live, by providing resources to States for support of local eligible entities and their partners to—

“(A) plan, coordinate, and mobilize a broad range of Federal, State, local, and private assistance or investment in such a manner as to use these resources effectively to reduce poverty and in initiatives that are responsive to specific local needs and conditions;

“(B) organize multiple services that meet the needs of low-income families and individuals, especially low-wage workers and their families, and that assist them in developing the assets and skills needed to become self sustaining while ensuring that these services are provided efficiently, in appropriate combinations, and in effective sequence; and

“(C) design and implement comprehensive approaches to assist individuals transitioning from the program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) to work;

“(2) by improving and revitalizing the communities in which low-income Americans live by providing resources to—

“(A) broaden the financial resource base of initiatives and projects directed to the elimination of poverty and the re-development of the low-income community, including partnerships with non-governmental and governmental institutions to develop the community assets and services that reduce poverty, such as—

“(i) other private, charitable, neighborhood-based, and religious organizations;

“(ii) individual citizens, and businesses, labor, and professional groups, who are able to influence the quantity and quality of opportunities and services for the poor; and

“(iii) local government leadership; and

“(B) coordinate or create community-wide assets and services that will have a significant, measurable impact on the causes of poverty in the community and that will help families and individuals to achieve economic self-sufficiency, and test innovative, community-based approaches to attacking the causes and effects of poverty and of community breakdown, including—

“(i) innovative initiatives to prevent and reverse loss of investment, jobs, public services, and infrastructure in low- and moderate-income communities; and

“(ii) innovative partnerships to develop the assets and services that reduce poverty, as provided for in subparagraph (A); and

“(3) by ensuring maximum participation of residents of low-income communities and of members of the groups served by programs under this subtitle in guiding the eligible entities and in their programs funded under this subtitle to ameliorate the particular problems and needs of low-income residents of their communities and to develop the permanent social and economic assets of the low-income community in order to reduce the incidence of poverty.”.

##### **SEC. 102. DEFINITIONS.**

Section 673 of the Community Services Block Grant Act (42 U.S.C. 9902) is amended—

(1) in paragraph (1)(A)(ii), by striking “or other mechanism”; and

(2) in paragraph (2)—

(A) in the first sentence—

(i) by striking “Office of Management and Budget” and inserting “Department of Health and Human Services”; and

(ii) by inserting before the period the following: “and increased, as the Secretary determines appropriate, to take into account higher costs-of-living for a State”; and

(B) by striking the last sentence and inserting the following: “Whenever a State determines that it has served the objectives of the block grant program established under this subtitle, the State may revise the poverty line, while placing a priority in serving those who are most in need, so that 125 percent of the official poverty line is the minimum level that a State shall be permitted to set as its maximum eligibility requirement and 60 percent of the State’s median income is the maximum level that a State shall be permitted to set as its maximum eligibility requirement. The State may revise the poverty line only upon a determination that eligible entities are providing, coordinating, or partnering with means-tested support services for low and moderate-income individuals and families above the official poverty line. Nothing in this paragraph shall be construed to prevent eligible entities from continuing to support individuals and families during their transition from program eligibility to achieve specific goals for their economic security and long-term self-sufficiency as long as priority is given to serving the lowest income individuals who seek services.”.

##### **SEC. 103. AUTHORIZATION OF APPROPRIATIONS.**

Section 674 of the Community Services Block Grant Act (42 U.S.C. 9903) is amended—

(1) in subsection (a), by striking “1999 through 2003” and inserting “2004 through 2009”; and

(2) in subsection (b)(2)—

(A) in subparagraph (A), by striking “or associations” and inserting “and associations”; and

(B) in subparagraph (B)—

(i) by striking “½ of the remainder” and inserting “not less than ½ of the remainder”; and

(ii) by striking “evaluation and” and inserting “evaluation and training and technical assistance activities and”.

##### **SEC. 104. ESTABLISHMENT OF PROGRAM.**

Section 675 of the Community Services Block Grant Act (42 U.S.C. 9904) is amended by striking “through the program” and all that follows through the period and inserting “to States for the purpose of ameliorating the causes of poverty and the conditions caused by poverty in their communities.”.

##### **SEC. 105. USE OF FUNDS.**

Section 675(b) of the Community Services Block Grant Act (42 U.S.C. 9907(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking “entities in need of such training and assistance” and inserting “eligible entities and their statewide associations that strengthens their managerial or programmatic capabilities to reduce poverty”; and

(B) by striking subparagraphs (B) through (H) and inserting the following:

“(B) supporting statewide coordination and communication among eligible entities and State-operated or supported programs and services, and other locally-operated programs and services targeted to low-income individuals and their children and families, so as to ensure that local eligible entities’ services are integrated in a manner that allows such low-income individual and their families to have access to as many sources of assistance as are appropriate to support their progress to economic stability and self-sufficiency;

“(C) supporting innovative partnerships, programs, and activities conducted by community action agencies and their partners including other community-based organizations to eliminate poverty, promote self-sufficiency, and promote community revitalization, including asset-building programs for low-income individuals, such as programs supporting individual development accounts, and home or business ownership;

“(D) analyzing the distribution of funds made available under this subtitle within the State to determine if such funds have been targeted to the areas of greatest need;

“(E) supporting State charity tax credits as described in subsection (c);

“(F) supporting the identification of exemplary eligible entities or programs as Centers of Innovation and methodology for disseminating innovative programs and other best practices from those agencies statewide;

“(G) supporting the development of eligible entities’ partnerships with local law enforcement agencies, local housing authorities, private foundations, and other public and private partners; and

“(H) supporting other activities, consistent with the purposes of this subtitle.”; and

(2) in paragraph (2), by adding at the end the following: “The State shall also ensure that all funds distributed under subsection (a) are not used for excessive administrative expenses and that all funds distributed under such subsection used for salaries by a local entity are fair and equitable. The State has the authority to determine the appropriate level of funds distributed under subsection (a) that an eligible entity shall use for administrative expenses.”.

##### **SEC. 106. APPLICATION AND PLAN.**

Section 676 of the Community Services Block Grant Act (42 U.S.C. 9908) is amended—

(1) in subsection (b)—

(A) in the matter preceding paragraph (1), by inserting “for the Secretary’s approval” after “to the Secretary”;

(B) by striking paragraphs (1) through (6) and inserting the following:

“(1) an assurance that funds made available through the grant or allotment will be used—

“(A) to support activities directly and through eligible entities that are designed to expand opportunities for and assist low-income individuals and their families (including low-income workers) to become self-sufficient, including low-income workers, families, and individuals receiving assistance under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), homeless families and individuals, migrant or seasonal farmworkers, and elderly low-income individuals and families, and a description of how such activities will enable the families and individuals—

“(i) to remove obstacles and solve problems that block the achievement of self-sufficiency by organizing and coordinating support for those served under paragraph (3);

“(ii) to secure and retain employment that provides adequate income with essential benefits;

“(iii) to attain an adequate education, with particular attention toward improving literacy and communications and technical skills of the low-income families in the communities involved;

“(iv) to make better use of available income and build household assets;

“(v) to obtain and maintain adequate housing and a suitable living environment;

“(vi) to obtain assistance that is needed to resolve family emergencies and individual needs, to prevent further hardships, and to secure economic independence; and

“(vii) to participate fully in the public affairs and management of their communities and the governance of eligible entities; and

“(B) to make more effective use of, and to coordinate with, other programs related to the purposes of this subtitle (including State welfare reform efforts);

“(2) a description of how the State intends to use discretionary funds made available from the remainder of the grant or allotment described in section 675C(b) in accordance with this subtitle, including a description of how the State will support innovative community-based initiatives of eligible entities and their partners related to the purposes of this subtitle;

“(3) an assurance that the State has integrated programs of general relevance in its plan, to the extent appropriate to the needs of low-income communities served by the eligible entities, including a description of innovative community and neighborhood-based initiatives such as—

“(A) initiatives with the goal of strengthening families and encouraging effective parenting, including fatherhood initiatives;

“(B) initiatives to assist those moving from welfare to work to obtain jobs at decent wages with benefits, including those low-income individuals and their families who are attempting to transition off a State program carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

“(C) programs for the establishment of violence-free zones that would involve youth development and intervention models that promote youth success (such as models involving youth mediation, youth mentoring, life skills training, job creation, and entrepreneurship programs);

“(D) family literacy initiatives;

“(E) initiatives to increase the development of household assets of individuals such as individual development accounts and homeowner opportunities;

“(F) public and private partnerships to foster community development, affordable housing, job creation, and other means of building the assets of low-income communities;

“(G) partnerships with local law enforcement agencies, which may include participation in

community policing, and activities to assist community residents and public safety officials in the event of emergencies, including threats to national security;

“(H) initiatives to improve economic conditions and mobilize new resources in rural areas and other at-risk areas to eliminate obstacles to the self-sufficiency of families and individuals in those communities;

“(I) initiatives to help reduce the concentration of poverty in cities and inner suburbs and provide economic opportunities for individuals and families in those areas; and

“(J) partnerships with nonprofit or community-based organizations that demonstrate effectiveness in child abuse prevention, including with programs that are school-based and that focus on adolescent victims, and victimizers;

“(4) an assurance that the State will provide information, including—

“(A) a description of the State measurement system and results for the performance goals established under section 678E(a)(1)(C);

“(B) a description of the service delivery system, for services provided or coordinated with funds made available through grants made under section 675C(a), targeted to low-income individuals and families in communities within the State;

“(C) a description of how linkages will be developed to fill identified gaps in the services, through the provision of information, referrals, case management, and followup consultations, and to support mobilization of new resources and partnerships;

“(D) a description of how funds made available through grants made under section 675C(a) will be coordinated with other public and private resources; and

“(E) a description of how the local entity will use the funds to support innovative community and neighborhood-based initiatives related to the purposes of this subtitle;

“(5) an assurance that eligible entities in the State will provide, on an emergency basis, for the provision of such supplies and services, nutritious foods, and related services, as may be necessary to counteract conditions of starvation and malnutrition among low-income individuals;

“(6) an assurance that the State has, to avoid duplication of such services, and to ensure that program gaps are addressed, identified and coordinated with eligible entity programs, with State and local agencies, and with programs that assist low-income individuals and their families, including—

“(A) programs carried out under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.), and other programs designed to coordinate work-related supportive services for families;

“(B) programs for expanding housing opportunities, reducing homelessness, and developing community investment projects;

“(C) education programs, including those for preschool and school-aged children and for adults to obtain an adequate education; and

“(D) programs designed to support youth, the homeless, migrants, senior citizens, and individuals with disabilities, including programs under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.);”;

(C) in paragraph (12)—

(i) by striking “not later than fiscal year 2001” and inserting “annually”; and

(ii) by striking “and” at the end;

(D) in paragraph (13), by striking the period and inserting “in sufficient detail to permit verification; and”; and

(E) by adding at the end the following:

“(14) beginning with fiscal year 2006, and in each fiscal year thereafter, an assurance that the State is using the procedures described in section 678B(b) to monitor eligible entities.”; and

(2) by striking subsection (f).

#### SEC. 107. DESIGNATION OF ELIGIBLE ENTITIES IN UNDERSERVED AREAS.

Section 676A(b) of the Community Services Block Grant Act (42 U.S.C. 9909(b)) is amended by adding at the end the following: “In granting such designation, the State shall deem private nonprofit eligible entities that are providing related services in the unserved area to be of demonstrated effectiveness, consistent with the needs identified by a community needs assessment.”.

#### SEC. 108. TRIPARTITE BOARDS.

Section 676B(b) of the Community Services Block Grant Act (42 U.S.C. 9910(b)) is amended—

(1) by striking “through—” and all that follows through “a tripartite” in paragraph (1) and inserting “through a tripartite”;

(2) by striking paragraph (2);

(3) in subparagraph (C), by striking “; or” and inserting a period; and

(4) by redesignating subparagraphs (A) through (C) as paragraph (1) through (3), respectively and realigning the margins of such paragraphs accordingly.

#### SEC. 109. TRAINING, TECHNICAL ASSISTANCE, AND OTHER ACTIVITIES.

Section 678A of the Community Services Block Grant Act (42 U.S.C. 9913) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (A), by striking “corrective action” and all that follows through “; and” and inserting “monitoring and such additional corrective actions as may be needed to strengthen the management and programmatic practices of eligible entities”; and

(B) by striking subparagraph (B) and inserting the following:

“(B) for State and local performance reporting and program data collection activities related to programs carried out under this subtitle;

“(C) for the preparation of reports provided for in section 678E;

“(D) for the development and promulgation of a common State Financial and Organizational Protocol that is required to be used by States under section 678B(b); and

“(E) to distribute amounts in accordance with subsection (c).”.

(2) in subsection (b)(2), by striking “an ongoing procedure for obtaining input from the national and State networks of eligible entities” and inserting “a strategic plan for annual technical assistance developed in consultation with the national and State networks of eligible entities regarding their management support needs”; and

(3) in subsection (c)(1), by striking “management information” and all that follows through the period, and inserting “improving management information and reporting systems, measuring of program results, ensuring responsiveness to identified local needs, and reporting and disseminating successful practices and initiatives.”.

#### SEC. 110. MONITORING.

Section 678B of the Community Services Block Grant Act (42 U.S.C. 9914) is amended—

(1) in the section heading by striking “OF ELIGIBLE ENTITIES”;

(2) in subsection (a)—

(A) by striking the subsection heading and inserting “MONITORING OF ELIGIBLE ENTITIES”;

(B) in paragraph (1)—

(i) by inserting “biennial” after “onsite”; and

(ii) by striking “at least once during each 3 year period”;

(C) by striking paragraph (2);

(D) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(E) in paragraph (2) (as so redesignated), by inserting “annual” after “Followup”;

(3) by redesignating subsections (b) and (c) as subsection (c) and (d), respectively;

(4) by inserting after subsection (a) the following:

“(b) FINANCIAL AND ORGANIZATIONAL ASSESSMENT PROTOCOL.—Beginning in fiscal year 2006,



States shall implement a financial and organizational assessment protocol to monitor and evaluate the compliance of eligible entities with the financial and administrative requirements of this section. Such protocol shall incorporate the fiscal and organizational review procedures and standards appropriate to the management of Federal funds under this subtitle and the governance of the eligible private non-profit corporations or other eligible entities. The Secretary shall require the protocol to be developed jointly by the States and eligible entities and shall assist States in developing appropriate training for personnel monitoring the uses of funds under this subtitle according to the requirements of this section.”; and

(5) in subsection (d), as so redesignated, by striking the last sentence and inserting the following: “The Secretary shall annually submit a report including the results of the evaluations conducted under this subtitle, the State performance reports provided for pursuant to section 678E(a)(1)(C), and other material as provided by section 678E(b)(2) to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate.”.

#### **SEC. 111. CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.**

Section 678C of the Community Services Block Grant Act (42 U.S.C. 9915) is amended—

(1) in subsection (a)—

(A) in paragraph (4), by striking “and” at the end; and

(B) by striking paragraph (5) and inserting the following:

“(5) if the eligible entity fails to correct the deficiency, notify the entity—

“(A) that the State intends to initiate proceedings to terminate the designation of the entity as an eligible entity or to reduce, from the previous year, the proportion of the total funding received by the State under this subtitle that is allocated to the eligible entity;

“(B) that the eligible entity has the right to a hearing on the record to determine if there is cause for such termination or reduction in funding, as defined in section 676(c), and that the request for a hearing must be made in writing to the State within 30 days of receipt of the notice from the State; and

“(C) of the legal basis for the proposed termination or reduction in funding, the factual findings on which the proposed termination or reduction in funding is based or a reference to specific findings in another document that form the basis for the proposed termination or reduction in funding (such as a reference to item numbers in an on-site review report or instrument), and citation to any statutory provisions, agreements, regulations, or State plan; and

“(6) if the eligible entity requests a hearing, conduct a hearing on the record to determine if there is cause for termination or a reduction in funding, as defined in section 676(c).”;

(2) in subsection (b)—

(A) by striking “review such a determination” and inserting “review and either approve, or disapprove and reverse, such a determination”;

(B) by striking “90 days” each place that it appears and inserting “30 days”; and

(C) by striking “90th day” and inserting “30th day”; and

(3) in subsection (c), by adding at the end the following: “The Secretary shall continue to fund an eligible entity, in an amount equal to the same proportion of total funds received by the State under this subtitle as was allocated to the eligible entity the previous year, until the Secretary approves, or disapproves and reverses, the determination of termination or reduction in funding with respect to the State.”.

#### **SEC. 112. FISCAL CONTROLS, AUDITS, AND WITHHOLDING.**

Section 678D of the Community Services Block Grant Act (42 U.S.C. 9916) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (C), by striking “and” at the end;

(B) by redesignating subparagraph (D) as subparagraph (F); and

(C) by inserting after subparagraph (C), the following:

“(D) notwithstanding paragraph (2)(B), beginning in fiscal year 2004, and not less than every 4 years thereafter, each State shall submit to the Secretary a separate audit of the funds appropriated under this subtitle that—

“(i) shall apply only to—

“(I) State disbursement of funds to eligible entities;

“(II) use of funds for State administrative expenses; and

“(III) State disbursement of assistance provided under section 680; and

“(ii) shall be funded—

“(I) first, through the funds available for administrative expenses under section 675C(b)(2); and

“(II) second, from any funds received by the State through assistance provided under section 680; and

“(E) submit full financial reports to the Secretary not later than 6 months following the end of each fiscal year; and”;

(2) in subsection (b)(1), by adding at the end the following: “The Secretary, after providing adequate notice, shall withhold administrative funds described in section 675C(b)(2) from any State that fails to comply with the provisions of sections 678A through 678D(a), and may, after an opportunity for a hearing conducted within the affected State, withhold funds from the State and provide such funds directly to the eligible entities in such State upon a demonstration of the compliance by such entities with the requirements of this subtitle.”.

#### **SEC. 113. ACCOUNTABILITY AND REPORTING REQUIREMENT.**

Section 678E of the Community Services Block Grant Act (42 U.S.C. 9917) is amended to read as follows:

##### **“SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIREMENTS.**

“(a) STATE ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

“(1) PERFORMANCE MEASUREMENT OF ELIGIBLE ENTITIES.—

“(A) IN GENERAL.—Each State that receives funds under this subtitle shall participate, and shall ensure that all eligible entities in the State participate, in a performance measurement system, which may be a performance measurement system for which the Secretary facilitated development pursuant to subsection (b), or an alternative system that the Secretary is satisfied meets the requirements of subsection (b).

“(B) LOCAL AGENCIES.—The State may elect to have local agencies that are subcontractors of the eligible entities under this subtitle participate in the performance measurement system. If the State makes that election, references in this section to eligible entities shall be considered to include the local agencies.

“(C) PERFORMANCE MEASUREMENT OF STATES.—Not later than 1 year after the date of enactment of the Poverty Reduction and Prevention Act, the Secretary shall establish, in consultation with States and eligible entities, performance standards for the State administration of block grant funds. Such standards shall include standards relating to—

“(i) the timeliness of the availability of State plans for public comment as required under section 676(a)(2)(B) and of submission of such plans to the Secretary as required in section 676(b);

“(ii) the utilization of the financial and organizational assessment protocol established under section 678B(b), including the training and skills of State personnel responsible for such oversight, the completion of annual monitoring, the identification of opportunities for improvement, and the implementation of plans to en-

hance the management capacity and infrastructure of eligible entities;

“(iii) the timeliness of the distribution of block grants funds to eligible entities as provided in section 675C(a);

“(iv) the resources made available for management development at eligible entities, including monitoring, training, and assistance with financial management and program information and assessment systems;

“(v) the results of State efforts to coordinate eligible entity programs with other State programs for low-income individuals and their families, especially participants in the program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and other working families, and to ensure the participation of eligible entities in the development of statewide strategies to reduce poverty; and

“(vi) the assistance provided to eligible entities in securing private partnerships as required in section 676(b).

“(2) ANNUAL REPORT.—Each State shall annually prepare and submit to the Secretary a report on the measured performance of the State and the eligible entities in the State. The State shall include in the report any information collected by the State relating to such performance. Each State shall also include in the report an accounting of the expenditure of funds received by the State through the community services block grant program, including an accounting of funds spent on administrative costs by the State and the eligible entities, funds spent by eligible entities on the direct delivery of local services, and the achievement of national goals established under the procedures described in this section, and shall include information on the number of and characteristics of clients served under this subtitle in the State, based on data collected from the eligible entities. The State shall also include in the report a summary describing the training and technical assistance offered by the State under section 678C(a)(3) during the year covered by the report.

“(b) LOCAL ENTITY ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

“(1) LOCAL ENTITY DETERMINED GOALS.—In order to be designated as an eligible entity and to receive a grant under this subtitle, an entity shall establish entity-determined goals for reducing poverty in the community, including goals for—

“(A) leveraging community resources;

“(B) fostering coordination of Federal, State, local, private, and other assistance; and

“(C) promoting community involvement.

“(2) DEMONSTRATION THAT GOALS WERE MET.—In order to receive a grant subsequent to the first grant that is provided to an eligible entity following the date of enactment of the Poverty Reduction and Prevention Act, the entity shall demonstrate to the State that substantial progress has been made in meeting the goals of the entity as described in paragraph (1).

“(3) GOALS OR PERFORMANCE MEASURES.—Any specific goals or performance measures, for an individual eligible entity, that are used in any monitoring or review process under this subtitle, shall be—

“(A) determined by the entity;

“(B) agreed on by the State involved and the entity, during the planning process leading to the grant involved; and

“(C) incorporated into the grant agreement between the State and entity for each subsequent award cycle.

“(4) PROCEDURES.—If the State determines that a failure to meet goals established under this subsection shall be a basis for terminating the designation or reducing the funds of an eligible entity under this subtitle, and determines that an eligible entity has failed to meet the goals, the procedures set forth in section 678C shall apply.

“(c) SECRETARY'S ACCOUNTABILITY AND REPORTING REQUIREMENTS.—

“(1) **FEDERAL PERFORMANCE MEASUREMENT.**—The Secretary shall establish goals for the Department of Health and Human Services Office of Community Services with respect to—

“(A) the timeliness of the distribution of funds under this subtitle, including funds for training and technical assistance;

“(B) the monitoring of States as provided for in section 678D;

“(C) the coordination of other Office of Community Service programs with the activities of States and eligible entities under this subtitle; and

“(D) the full and timely reporting as required in this section.

“(2) **LOCAL PERFORMANCE MEASUREMENT.**—

“(A) **IN GENERAL.**—To the maximum extent practicable, the Secretary shall coordinate reporting requirements for all programs of the Department of Health and Human Services that are managed by eligible entities so as to consolidate and reduce the number of reports required relating to individuals, families, and uses of grant funds, specifically funds under the Head Start Act (42 U.S.C. 9831 et seq.), the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.), child care programs administered by the Department, and health related service programs administered by the Department.

“(B) **TECHNICAL ASSISTANCE.**—The Secretary shall provide technical assistance, including support for the enhancement of electronic data systems, to States and to eligible entities to enhance their capability to collect and report data for such a system and to aid in their participation in such a system.

“(C) **LOCAL ENTITY PERFORMANCE MEASUREMENT SYSTEM.**—The Secretary shall assist in the implementation of a local entity performance measurement system, and other voluntary programmatic and results reporting systems, developed by States, eligible entities, and their national associations acting together. The Secretary and the developers of such systems shall ensure that the set of measures are numerous enough to cover the full range of services offered by all local eligible entities. Under such a system, local eligible entities shall only be compelled to collect data on the subset of performance measures that reflect their community-specific programs and services currently adopted. Eligible entities shall not be required under this subparagraph to alter the collection of data for any reports provided for other programs within the Department of Health and Human Services or other Federal agencies. States shall compile annual Results Oriented Management and Accountability System reports for the Secretary under this subparagraph.

“(3) **REPORTING REQUIREMENTS.**—For each fiscal year the Secretary shall, directly or by grant or contract, prepare a report containing—

“(A) a summary of the planned use of funds by each State, and the eligible entities in the State, under the community services block grant program, as contained in each State plan submitted pursuant to section 676;

“(B) a description of how funds were actually spent by the State and eligible entities in the State, including a breakdown of funds spent on administrative costs and on the direct delivery of local programs by eligible entities;

“(C) information on the number of entities eligible for funds under this subtitle, the number of low-income persons served under this subtitle, and such demographic data on the low-income populations served by eligible entities as is determined by the Secretary to be feasible;

“(D) a comparison of the planned uses of funds for each State and the actual uses of the funds;

“(E) a summary of each State's performance results, and the results for the eligible entities, as collected and submitted by the States in accordance with subsection (a)(2); and

“(F) any additional information that the Secretary considers to be appropriate to carry out

this subtitle, if the Secretary informs the States of the need for such additional information and allows a reasonable period of time for the States to collect and provide the information.

“(4) **SUBMISSION.**—The Secretary shall submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate the report described in paragraph (2), and any comments the Secretary may have with respect to such report. The report shall include definitions of direct and administrative costs used by the Department of Health and Human Services for programs funded under this subtitle.

“(5) **COSTS.**—Of the funds reserved under section 674(b)(3), not more than \$500,000 shall be available to carry out the reporting requirements contained in paragraph (3).”

#### **SEC. 114. LIMITATIONS ON USE OF FUNDS.**

Section 678F(c)(1) of the Community Services Block Grant Act (42 U.S.C. 9918(c)(1)) is amended by inserting “religion,” after “race.”

#### **SEC. 115. OPERATIONAL RULE.**

Section 679(a) of the Community Services Block Grant Act (42 U.S.C. 9920(a)) is amended by inserting “and such organization meets the requirements of this subtitle” before the first period.

#### **SEC. 116. DISCRETIONARY AUTHORITY OF THE SECRETARY.**

Section 680 of the Community Services Block Grant Act (42 U.S.C. 9921) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) by redesignating subparagraphs (B) through (E) as subparagraph (D) through (G), respectively;

(ii) by striking subparagraph (A) and inserting the following:

“(A) **ECONOMIC DEVELOPMENT ACTIVITIES.**—The Secretary shall make grants described in paragraph (1) on a competitive basis to private, nonprofit organizations that are community development corporations to provide technical and financial assistance for economic development activities, including business, economic, and community development projects, designed to address the economic needs of low-income individuals and families by creating employment and business development opportunities. Such assistance shall include—

“(i) long term loans (up to 15 years) or investments for private business enterprises;

“(ii) providing capital to businesses owned by community development corporations; and

“(iii) marketing and management assistance for businesses providing jobs and business opportunities to low-income individuals.

“(B) **FEDERAL INTEREST.**—

“(i) **IN GENERAL.**—The Secretary shall establish procedures that permit an eligible entity who receives funds under a grant to carry out this paragraph, or intangible assets acquired with such funds, to become the sole owner of the funds or assets before the end of the 12-year period beginning at the end of the fiscal year for which the grant is made.

“(ii) **CONDITIONS.**—To be eligible to become the sole owner, the eligible entity shall agree—

“(I) to use the funds or assets for the purposes and uses for which the grant was made, or purposes and uses consistent with this subtitle, during and after the 12-year period described in clause (i), whether or not the eligible entity continues to be supported by Federal funds; and

“(II) that, when the eligible entity no longer needs the funds or assets for purposes and uses described in subclause (I), the eligible entity shall request instructions from the Secretary about the disposition of the funds or assets.

“(iii) **ENCUMBERING.**—The eligible entity may not encumber the assets without the approval of the Secretary.

“(C) **ADMINISTRATIVE REQUIREMENTS.**—In a case in which an eligible project under grant made under this section cannot, for good cause,

be implemented, the Secretary shall establish a policy to permit the substitution of other eligible projects. Such policy shall require that such project have the same impact area, the same goals, and the same objectives as the original project and outcomes that are substantially the same as the original project.”;

(iii) in subparagraph (E) (as so redesignated), by striking “the community” and inserting “the service area”; and

(iv) in subparagraph (G) (as so redesignated), by striking “1 percent” and inserting “2 percent”;

(B) in paragraph (3)(B), by striking “community” and inserting “water and waste water”; and

(C) in paragraph (4), by striking “individuals and families” and inserting “individuals and their families”; and

(2) in subsection (c), by striking “Labor and Human Resources” and inserting “Health, Education, Labor, and Pensions”.

#### **SEC. 117. COMMUNITY FOOD AND NUTRITION PROGRAMS.**

Section 681 of the Community Services Block Grant Act (42 U.S.C. 9922) is amended—

(1) in subsection (c), by striking “Labor and Human Resources” and inserting “Health, Education, Labor, and Pensions”; and

(2) in subsection (d), by striking “1999 through 2003” and inserting “2004 through 2009”.

#### **SEC. 118. NATIONAL OR REGIONAL PROGRAMS DESIGNED TO PROVIDE INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH.**

Section 682 of the Community Services Block Grant Act (42 U.S.C. 9923) is amended—

(1) in subsection (b)(2), by striking “or treatment”; and

(2) in subsection (g), by striking “\$15,000,000 for each of fiscal years 1999 through 2003” and inserting “\$18,000,000 for each of fiscal years 2004 through 2009”.

### **TITLE II—LOW-INCOME HOME ENERGY ASSISTANCE**

#### **SEC. 201. SHORT TITLE.**

This title may be cited as the “Low-Income Home Energy Assistance Amendments of 2003”.

#### **SEC. 202. REAUTHORIZATION.**

(a) **IN GENERAL.**—Section 2602(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(b)) is amended in the first sentence by striking “such sums” and all that follows through the period and inserting “and \$3,400,000,000 for each of fiscal years 2004 through 2006, and such sums as may be necessary for each of fiscal years 2007 through 2010.”.

(b) **PROGRAM YEAR.**—Section 2602(c) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(c)) is amended by inserting “authorized” after “programs and activities”.

(c) **INCENTIVE PROGRAM FOR LEVERAGING NON-FEDERAL RESOURCES.**—Section 2602(d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621(d)) is amended—

(1) in paragraph (1), by striking “1999 through 2004” and inserting “2004 through 2010”; and

(2) in paragraph (2), by striking “1999 through 2004” and inserting “2004 through 2010”.

#### **SEC. 203. NATURAL DISASTERS AND OTHER EMERGENCIES.**

Section 2604(e) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(e)) is amended by adding at the end the following:

“Notwithstanding any other provision of this section, for purposes of making determinations under section 2603(1)(C), if the Secretary determines that there is an increase of at least 20 percent in the cost of home energy over the previous 5-year average for a duration of a month or more in 1 or more States or regions, the Secretary shall declare an energy emergency in the affected area and shall make available funds as

provided in this subsection. Notwithstanding any other provision of this section, for purposes of making such determinations, if the Secretary determines that the number of heating degree days or cooling days for a month was more than 100 above the 30-year average in 1 or more States or regions, the Secretary shall declare an energy emergency in the affected area and shall make available funds as provided in this subsection."

#### SEC. 204. RESIDENTIAL ENERGY ASSISTANCE CHALLENGE OPTION.

(a) **EVALUATION.**—The Comptroller General of the United States shall conduct an evaluation of the Residential Energy Assistance Challenge program described in section 2607B of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626b).

(b) **REPORT.**—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate a report containing—

(1) the findings resulting from the evaluation described in subsection (a); and

(2) the State evaluations described in paragraphs (1) and (2) of section 2607B(b) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8626b(b)).

#### SEC. 205. REPORT TO CONGRESS.

(a) **STUDY.**—

(1) **IN GENERAL.**—The Secretary of Health and Human Services shall conduct a study on the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)

(2) **REQUIREMENTS.**—In conducting the study under subparagraph (A), the Secretary of Health and Human Services shall—

(A) evaluate the performance of the Low-Income Home Energy Assistance Program, including who the program is serving, the benefits of the program to recipients, and the ability of the program to reduce utility arrearage and shut-offs among low-income households;

(B) develop a protocol for States to collect information from energy distribution companies, including electric, natural gas, heating oil, and propane companies, concerning the following residential customer statistics—

(i) the number of accounts certified as eligible for energy assistance;

(ii) the number of accounts certified as eligible for energy assistance and that are past due;

(iii) the total revenue owed on accounts eligible for energy assistance and that are past due;

(iv) the number of disconnection notices issued on accounts eligible for energy assistance;

(v) the number of disconnections for non-payment;

(vi) the number of reconnections;

(vii) the number of accounts eligible for energy assistance and determined uncollectible; and

(viii) the energy burden of accounts eligible for energy assistance;

(C) analyze the public health and safety threats of hypothermia and hyperthermia due to a lack of home heating or home cooling, including mortality, morbidity, and decrease in caloric intake;

(D) analyze the affect of the standard of housing and housing age on energy costs to low-income households;

(E) evaluate regional difference in cost-of-living and the ability of low-income families to meet home energy requirements; and

(F) determine the programmatic impacts of using 60 percent of State median income to determine low-income households.

(b) **REPORT.**—Not later than 24 months after the date of enactment of this Act, the Secretary of Health and Human Services shall submit to Congress a report containing the results of the study conducted under subsection (a).

(c) **DEFINITION.**—In this section, the term "State" means each of the 50 States and the District of Columbia.

(d) **AUTHORIZATION OF APPROPRIATIONS.**—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for each of fiscal years 2004 and 2005.

(e) **CONTRACTS.**—Using amounts appropriated under subsection (d), the Secretary of Health and Human Services may enter into contracts or jointly financed cooperative agreements or interagency agreements with States and public agencies and private nonprofit organizations to conduct the study under subsection (a).

### TITLE III—ASSETS FOR INDEPENDENCE REAUTHORIZATION ACT

#### SEC. 301. SHORT TITLE.

This title may be cited as the "Assets for Independence Reauthorization Act".

#### SEC. 302. REAUTHORIZATION OF THE ASSETS FOR INDEPENDENCE ACT.

(a) **DEFINITION OF QUALIFIED EXPENSES.**—Section 404(8) of the Assets for Independence Act (42 U.S.C. 604 note) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by inserting "or to a vendor following approval by a qualified entity upon submission of an approved qualified education purchase plan" before the period; and

(B) by adding at the end the following:

"(iii) **QUALIFIED EDUCATION PURCHASE PLAN.**—The term 'qualified education purchase plan' means a document that explains the education item to be purchased which—

"(I) is approved by a qualified entity; and

"(II) includes a description of the good to be purchased.";

(2) in subparagraph (D), by striking "eligible"; and

(3) by adding at the end the following:

"(E) **SAVING IN IDAS FOR DEPENDENTS.**—Amounts paid to an individual development account established for the benefit of a dependent (as such terms is defined for purposes of subparagraph (D)(ii)) of an eligible individual for the purpose of postsecondary education."

(b) **REPEAL OF PROVISION.**—Section 405 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking subsection (g).

(c) **RESERVE FUND.**—Section 407 of the Assets for Independence Act (42 U.S.C. 604 note) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by redesignating subparagraphs (A) and (B) as subparagraphs (B) and (C), respectively; and

(ii) by inserting before subparagraph (B) (as so redesignated) the following:

"(A) all grant funds provided to the qualified entity from the Secretary for the purpose of the demonstration project as described under subsection (c)(1);" and

(B) by adding at the end the following:

"(3) **RULE OF CONSTRUCTION.**—Nothing in paragraph (1)(A) shall be construed to preclude a qualified entity from depositing other demonstration project funds into the Reserve Fund."; and

(2) in subsection (d), by inserting "the date that is 12 months after" after "upon".

(d) **USE OF AMOUNTS.**—Section 407(c) of the Assets for Independence Act (42 U.S.C. 604 note) is amended by adding at the end the following:

"(4) **USE OF NONFEDERAL FUNDS.**—

"(A) **IN GENERAL.**—Notwithstanding paragraph (3), not more than 20 percent of the amount of non-Federal funds committed to a project as matching contributions in accordance with the application submitted by the qualified entity under section 405(c)(4) shall be used by the qualified entity for the purposes described in subparagraphs (A), (C), and (D) of paragraph (1).

"(B) **PRIORITY.**—In awarding grants under section 406(b), the Secretary shall give priority

to qualified entities that submit applications that, with respect to the commitment of non-Federal funds under section 405(c)(4), provide assurances that not to exceed 15 percent of such non-Federal funds will be used by the qualified entity for the purposes described in subparagraphs (A), (C), and (D) of paragraph (1)."

(e) **ELIGIBILITY FOR PARTICIPATION.**—Section 408(a)(1) of the Assets for Independence Act (42 U.S.C. 604 note) is amended to read as follows:

"(1) **INCOME TEST.**—The—

"(A) gross income of the household is equal to or less than—

"(i) 200 percent of the poverty line (as determined by the Secretary of Health and Human Services);

"(ii) the earned income amount described in section 32 of the Internal Revenue Code of 1986 (taking into account the size of the household); or

"(iii) 80 percent of the Area Median Income (as determined by the Department of Housing and Urban Development); or

"(B) the modified adjusted gross income of the household for the previous year does not exceed \$18,000 for an individual filer, \$30,000 for a head of household, or \$38,000 for a joint filer."

(f) **DEPOSITS BY QUALIFIED ENTITIES.**—Section 410 of the Assets for Independence Act (42 U.S.C. 604 note) is amended—

(1) in subsection (a), by striking "qualified entity—" and all that follows through the end and inserting the following: "qualified entity, a matching contribution of not less than \$0.50 and not more than \$4 for every \$1 of earned income (as defined in section 911(d)(2) of Internal Revenue Code of 1986) deposited in the account and interest earned on that account by a project participant during that period. Matching contributions shall be made—

"(1) from the non-Federal funds described in section 405(c)(4); and

"(2) from the grant made under section 406(b); based on a ratio relating to the sources of funds described in paragraph (1) and (2) as determined by the qualified entity, consistent with the requirements of section 407(c).";

(2) by redesignating subsections (b) through (e) as subsections (c) through (f), respectively; and

(3) by inserting after subsection (a), the following:

"(b) **USE OF EXCESS INTEREST ON MATCHING FUNDS EARNED ON THE RESERVE FUND.**—Interest that accrues on the matching funds earned and held in the Reserve Fund, over and above the interest required to match an individual's deposits and interest earned in the individual development account, shall be used by the qualified entity to fund existing individual development accounts or additional individual development accounts."

(g) **AUTHORIZATION OF APPROPRIATIONS.**—Section 416 of the Assets for Independence Act (42 U.S.C. 604 note) is amended by striking "and 2003," and inserting "and 2003, \$25,000,000 for fiscal year 2004, and such sums as may be necessary for each of fiscal years 2005 through 2008,".

(h) **APPLICATION OF AMENDMENTS.**—In administering the Assets for Independence Act (42 U.S.C. 604 note), the Secretary of Health and Human Services shall apply—

(1) the amendments made by the Assets for Independence Act Amendments of 2000 to individuals who were individual development account holders, and to entities that received grants, under the Assets for Independence Act either before or after the date of enactment of the Assets for Independence Act Amendments of 2000; and

(2) the amendments made by this section to individuals who were individual development account holders, and to entities that received grants, under the Assets for Independence Act either before or after the date of enactment of this Act.

Mr. FRIST. I ask unanimous consent that the committee amendment be

agreed to, the bill as amended be read a third time and passed, the motion to reconsider be laid on the table, and any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment was agreed to.

The bill was read the third time and passed.

#### MEASURE READ THE FIRST TIME—S. 2095

Mr. FRIST. I understand that S. 2095, introduced earlier today, is at the desk. I ask for its first reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant journal clerk read as follows:

A bill (S. 2095) to enhance energy conservation and research and development and to provide for security and diversity in the energy supply for the American people.

Mr. FRIST. I now ask for its second reading and object to my own request.

The PRESIDING OFFICER. Objection is heard.

#### AUTHORITY TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. FRIST. Mr. President, I ask unanimous consent that during this adjournment of the Senate the majority leader or the assistant majority leader be authorized to sign duly enrolled bills or joint resolutions.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### AUTHORITY FOR COMMITTEES TO FILE REPORTS

Mr. FRIST. Mr. President, I ask unanimous consent that notwithstanding the recess committees be allowed to file reports on Wednesday, February 18, between the hours of 10 a.m. and 12 noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### PROVIDING FOR A CONDITIONAL ADJOURNMENT OR RECESS OF THE HOUSE AND SENATE

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H. Con. Res. 361, the adjournment resolution, that the concurrent resolution be agreed to, and the motion to reconsider be laid upon the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution (H. Con. Res. 361) was agreed to, as follows:

#### H. CON. RES. 361

*Resolved by the House of Representatives (the Senate concurring).* That when the House adjourns on the legislative day of Wednesday, February 11, 2004, it stand adjourned until 2 p.m. on Tuesday, February 24, 2004, or until the time of any reassembly pursuant to sec-

tion 2 of this concurrent resolution, whichever occurs first; and that when the Senate recesses or adjourns on Thursday, February 12, 2004, Friday, February 13, 2004, or Saturday, February 14, 2004, on a motion offered pursuant to this concurrent resolution by its Majority Leader or his designee, it stand recessed or adjourned until noon on Monday, February 23, 2004, or at such other time on that day as may be specified by its Majority Leader or his designee in the motion to recess or adjourn, or until the time of any reassembly pursuant to section 2 of this concurrent resolution, whichever occurs first.

SEC. 2. The Speaker of the House and the Majority Leader of the Senate, or their respective designees, acting jointly after consultation with the Minority Leader of the House and the Minority Leader of the Senate, shall notify the Members of the House and the Senate, respectively, to reassemble at such place and time as they may designate whenever, in their opinion, the public interest shall warrant it.

Mr. FRIST. Mr. President, at this juncture, I have several statements and comments I will make. I will be happy to turn to the Democrat leader if he has comments which he wishes to make.

#### PASSAGE OF S. 1072

Mr. DASCHLE. Mr. President, I commend the majority leader for the efforts we have made in the last 2 weeks to complete our work on the highway bill. This was not an easy task, but I think we can look back with some satisfaction having achieved our goal.

Again, I appreciate the cooperation on both sides in an effort to complete our work. I have no other comments at this point.

#### CLOSING THE HEALTH CARE GAP OF 2004

Mr. FRIST. Mr. President, I want to spend a few minutes to make some comments on some current issues that occurred over the course of the day and in the news. To begin with, I wish to make a statement on a bill I had the opportunity to introduce earlier today but have not yet taken the opportunity to comment on, a bill entitled Closing the Health Care Gap of 2004.

I was proud to join today with my colleagues, Senator MARY LANDRIEU, Senator THAD COCHRAN, Senator MIKE DEWINE, Senator KIT BOND, Senator JAMES TALENT, Senator JOHN WARNER, and Senator KAY BAILEY HUTCHISON to introduce this bill, Closing the Health Care Gap of 2004. It is a bill that addresses a major problem and a major challenge we have today in health care; that is, health care disparities.

Last year, I outlined the framework for action to combat these health care disparities that plague our Nation's health care system. Since then, we have reached out broadly to a wide range of national leaders and Senate colleagues to gather their input and their ideas. As a result, I believe that legislation embodies an effective strategy to reduce and work toward elimination of these health care disparities.

Over recent years, we have made tremendous advances in our knowledge of and our fight against disease. But we know millions of Americans today still experience disparities in health outcomes as a result of ethnicity, or race, or gender, or limited access to quality health care.

A couple of examples: Disparity populations exhibit poor health outcomes and have higher rates of HIV/AIDS, diabetes, cancer, infant mortality, and heart disease. The list of illnesses goes on and on. African Americans and Native Americans die younger than any other racial or ethnic group. African American and Native American babies die at significantly higher rates than the rest of the population. Native Americans, Hispanic Americans, and African Americans are twice as likely to suffer from diabetes and experience serious complications from their disease. Today these gaps are simply unacceptable. Today we begin a new and aggressive effort to address these inequities.

This bill—Closing the Health Care Gap Act of 2004—addresses the root causes of health care disparities by focusing on five key areas.

First, expanding access to quality health care.

Second, strengthening national leadership efforts and coordination.

Third, helping increase the diversity of health care professionals.

Fourth, promoting more aggressive health professional education intended to reduce barriers to care.

Fifth, enhancing research to identify sources of racial, of ethnic, and geographic disparities and assess promising intervention strategies.

Every American believes that the best quality of health care possible, regardless of race, ethnicity, gender, or where they live, is deserving. The bipartisan "closing the health care gap" would go a long way toward achieving this goal.

I appreciate the support of so many colleagues and prominent outside organizations, including the National Medical Association, the National Hispanic Medical Association, the Urban League, and the National Conference for Community and Justice. Together, we can make real progress toward eliminating health care disparities, closing the Health Care Gap Act of 2004.

#### CLONING IN SOUTH KOREA

Mr. FRIST. Mr. President, this morning, many awoke to the news that South Korean scientists have successfully cloned a mature human embryo. This is an alarming development. Decades ago C.S. Lewis saw the dangers facing human dignity. In his essay "The Abolition of Man," he warned in conquering nature, nature is actually conquering mankind. To clone a human being is to move from procreation to the manufacture of human life. And this is dangerous.